



**Department of Community Health/Division of Health Planning
HEALTH STRATEGIES COUNCIL
Indigent and Charity Care Ad Hoc Committee**

SCOPE

BACKGROUND

Georgia's Certificate Of Need (CON) statute and rules contain provisions for indigent and charity care commitments and for the collection of related financial information from healthcare providers. Providers often are required to commit to provide uncompensated services for indigent and/or charity care patients equal to a specified percentage (usually 3%) of the provider's Adjusted Gross Revenue (Total Gross Charges minus Medicaid and Medicare Contractual Adjustments and Bad Debt). Indigent Care is strictly defined for patients with income at or below 125% of Federal Poverty Guidelines (FPG). Charity Care is more flexible in that it can be for any patient providing that they qualify under the written policy established by the provider and their income is above 125% FPG.

Financial information used to evaluate performance related to indigent and charity care is collected annually through the Department's survey process and also is used in other Departmental considerations. Concerns have been raised about the manner in which financial information is reported and in how indigent and charity care charges are determined. Total charges for indigent and charity care cases are used as the baseline for calculations to determine a provider's amount of compensated and uncompensated care as well as to evaluate a provider's performance related to indigent and charity care commitments. Charges can be said to be too fluid and unreliable as a denominator in the reporting of the costs associated with indigent and charity care services because each provider is free to determine the total charges for each service or case and since the qualification standards for Charity Care varies by facility.

The Department is aware of confusion and inconsistency in the application of the Department's definitions and of instances of the mistaken use of Bad Debt as a component of a provider's indigent or charity care write-off. These inconsistencies impact the Department's ability to adequately assess whether the needs of Georgia citizens are being met.

STATEMENT OF PURPOSE

Among the Department's broad responsibilities is the development of the state's healthcare infrastructure to improve access to high quality healthcare services and to plan for the healthcare coverage of Georgia's estimated 1.3 million uninsured residents. The Certificate of Need process and requirements provide a mechanism that may address this responsibility. During the recent update of the Department's Administrative Health Planning rules, the Department received input from a wide range of constituents. Much of the input revolved around the Department's proposed definitions of Indigent Care and Charity Care.

The Health Strategies Council has recommended the establishment of an Ad Hoc Committee to review the current definitions and to provide the Department with suggested definitions that would provide uniformity and equity for facilities concerning the calculation and reporting of indigent and charity care in the State of Georgia.

MEMBERSHIP

The membership of the Indigent and Charity Care Ad Hoc Committee represent a wide range of constituents and is comprised of 10 persons. It is anticipated that the committee will have approximately three meetings.

The following members have been appointed by the Health Strategies Council Chair:

(1) David Williams, MD, Chair

Chief Executive Officer
Southside Medical Center

(2) Jim Connolly

Director, Institutional Reimbursement
Department of Community
Health/Division of Medical Assistance

(3) Jeff Crudele

Chief Financial Officer
HCA, Southeastern Division

(4) Kurt Stuenkel

Chief Executive Officer
Floyd Medical Center

(5) Cal Calhoun

Vice President/Financial Services
Georgia Hospital Association

(6) Charlotte McMullan

American Institute of Certified
Public Accountants

(7) Dan DeLoach, MD,

Practicing at CON Approved Facility

(8) Eric Randolph, MD

Radiation Oncologist
Atlanta Medical Center

(9) Tony Strange

Chief Executive Officer
HealthField/Four Seasons Home Health
Agencies

(10) W. Douglas Skelton, MD

District Health Director
Georgia Dept. of Public Health